



Peru's Belaunde (center) exhibits uniforms of Ecuadorian soldiers who fell in clashes with Peruvian troops.

Despite the military's "anti-rhetoric," international bankers proved of the regime's expansive development programs. But the 1975 worldwide recession triggered a major crisis, and Peru has since been wracked by severe depression.

Although the military regime had never achieved much in the way of a popular mass base, whatever prestige the reformist generals had won quickly evaporated as the IMF began to dictate economic policy in return for emergency loans.

Although the reformist Peruvian Communist Party (PCP-U), which held bureaucratic control of the largest trade union confederation, was reluctant to confront a

struggle.

The military had little choice but to shift support to the very man they had ousted 12 years earlier: Fernando Belaunde and his center-right Popular Action Party.

WORKERS ON OFFENSIVE

In this fluid political situation, the left was almost able to unite all its various political tendencies around the candidacy of the charismatic Trotskyist and ex-peasant leader, Hugo Blanco. But the Revolutionary Left Alliance (ARI) collapsed after only a month in a sectarian debacle, and five separate left candidates ran.

Far from diffusing the popular struggles, however, the electoral campaigns further politicized Peruvian society. In competing with articulate left candidates, Belaunde portrayed himself as the savior of the victims of the military dictatorship. He made incredible promises to workers, including one million new jobs, the rehiring of employees fired in strikes or for political activities, price controls and a regular adjustment of wages in line with inflation.

As a result, impatient and impoverished workers gave him no honeymoon after his inauguration last July 28. Under leftist leadership, workers went on the offensive to recover the wage losses suffered during four harsh years of military repression and austerity programs. From miners to state employees to doctors and nurses, labor launched 30 major strikes during Belaunde's first month in office. The offensive continues

Counter Spy

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